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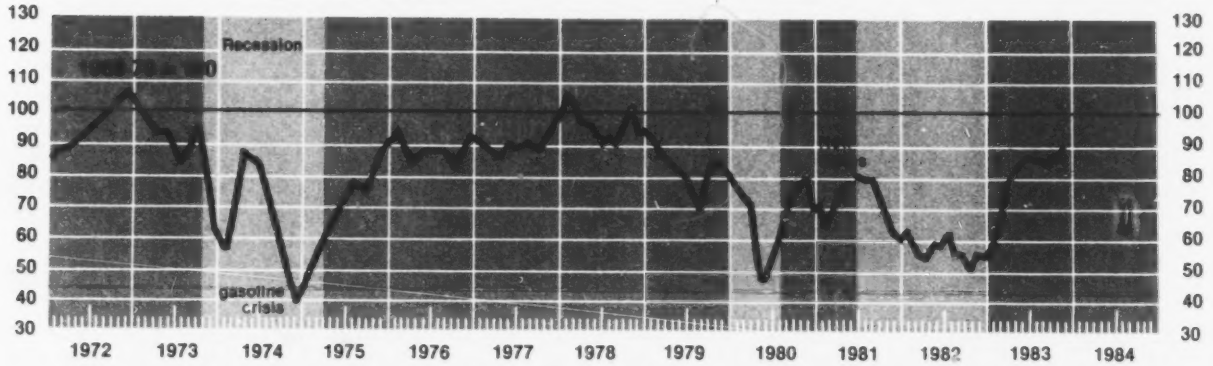
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

December, 1983



CONSUMERS' SPIRITS CONTINUE TO IMPROVE, BUT PLANS TO SPEND SOFTER

As we approach Christmas the consumers' spirits are higher than they have been at this season in the past five years. The Board's Confidence Index (1969-1970 = 100) in November registered 89.4, for a gain of almost four points over October. Consumers are considerably more confident in their assessment of the ongoing scene and are also somewhat more optimistic in their economic expectations for the next six months. However, plans to buy homes and durable goods have edged downward, but still remain substantially higher than a year ago.

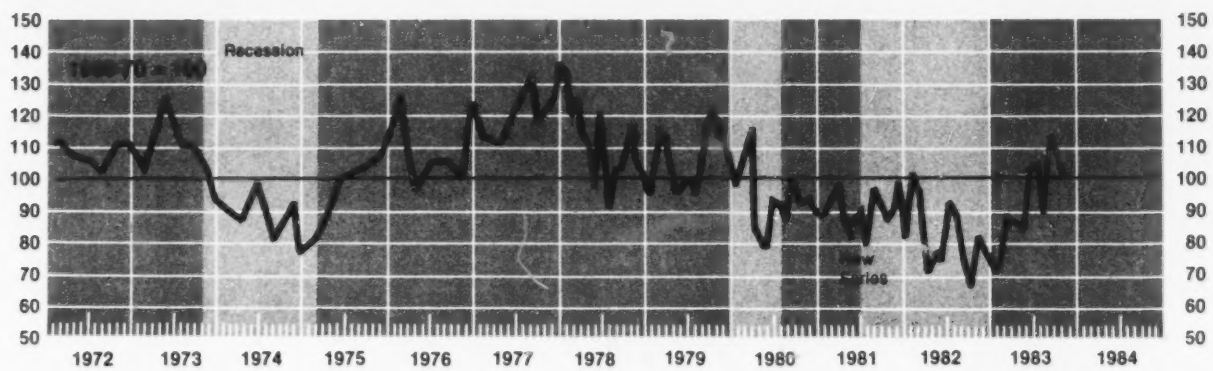
There has been an increase in the number of people who believe the job situation has improved, and somewhat fewer respondents as compared to last time say that business conditions are "bad." Consumers are also more positive in their expectations for the next six months. More persons than last time believe that the economy will improve, more also anticipate an increase in job opportunities.

Plans to buy a car were indicated by 8.2% of all respondents, down from a prior 9.0 percent. There was also a moderate decrease in intentions to purchase a home, to 3.4% from a previous 3.6 percent. Plans to make a major appliance purchase fell to 25% from 29 percent.

The consumers more positive assessment of the present situation and their more optimistic expectations for the immediate future bode well for the nation's retailers. Christmas sales have been disappointing for quite some time—1978 was the last good year. However, given the level of consumer confidence, this Christmas promises to be a busy year for the nation's retailers. The only element of uncertainty in the present situation is the decline in the buying plans. But plans to spend for durables and homes register sharp month-to-month fluctuations. Over the past three months as compared to the preceding comparable period, plans to buy (seasonally adjusted) are, in fact, up by some 10 percent. On balance, recent survey readings strongly suggest that the business recovery promises to be sturdy, at least well into the new year.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.
Percentage of all households

All series seasonally adjusted	1982 Nov.	1982 Dec.	1983 Jan.	1983 Feb	1983 Mar.	1983 Apr.	1983 May	1983 June	1983 July	1983 Aug.	1983 Sept.	1983 Oct.(r)	1983 Nov.(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	54.8	53.5	58.0	65.8	77.1	80.3	84.0	84.9	84.7	84.6	84.8	85.7	89.4
Present Situation	13.6	12.9	13.8	14.1	19.5	23.9	28.2	32.8	37.2	39.3	43.1	44.0	50.0
Expectations	82.3	80.7	87.5	100.3	115.5	117.9	121.2	119.6	116.3	114.8	112.6	113.5	115.6
Buying Plans Index	80.5	75.2	71.9	75.8	87.9	86.0	85.2	103.6	100.5	89.9	113.5	109.9	101.0
Appraisal of Present Situation: Percent													
Business Conditions													
Good	7.4	7.3	7.3	7.7	10.1	11.4	13.5	15.0	15.9	16.5	18.3	19.4	19.5
Bad	54.6	58.6	53.1	53.2	47.8	44.7	38.7	36.9	33.2	33.5	31.0	30.8	28.3
Normal	38.0	34.1	39.6	39.1	42.1	43.9	47.8	48.1	50.9	50.0	50.7	49.8	52.2
Employment													
Jobs plentiful	2.9	2.9	2.9	2.7	3.5	4.9	4.6	5.9	6.8	7.4	7.7	7.4	9.7
Jobs not so plentiful	35.9	34.7	37.1	38.7	42.2	41.7	44.1	45.5	45.9	48.6	48.5	49.3	49.4
Jobs hard to get	61.2	62.4	60.0	58.6	54.3	53.4	51.3	48.6	47.3	44.0	43.8	43.3	40.9
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	25.7	25.5	25.7	32.2	39.2	38.9	39.1	37.6	36.6	32.7	30.1	30.1	31.3
Worse	18.0	20.9	14.8	11.5	7.1	6.2	4.8	5.3	6.6	6.6	6.8	6.7	6.0
Same	56.3	53.6	59.5	56.3	53.7	54.9	56.1	57.1	56.8	60.7	63.1	63.2	62.7
Employment													
More jobs	21.5	20.6	19.3	24.2	31.6	31.0	30.8	29.7	28.9	26.6	24.5	24.8	25.4
Fewer jobs	27.1	28.0	22.3	16.9	13.7	11.9	10.1	11.0	13.0	12.1	13.1	13.8	12.0
Same	51.4	51.4	58.4	58.8	54.7	57.1	59.1	59.3	58.1	61.3	62.4	61.4	62.6
Income													
Increase	20.8	24.0	22.9	20.5	24.8	26.6	25.9	26.0	28.7	26.0	28.3	31.1	27.2
Decrease	12.6	12.7	11.9	10.6	9.1	9.6	9.6	8.9	8.9	8.8	8.6	7.6	8.0
Same	66.6	63.3	65.2	68.9	66.1	63.8	64.5	65.1	62.4	65.2	63.1	61.3	64.8
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.0	5.6	5.1	5.4	7.2	6.1	6.0	8.4	7.8	7.2	9.1	9.0	8.2
New	3.2	3.1	3.0	3.1	3.9	3.4	3.6	4.7	4.1	3.4	5.1	5.3	4.2
Used	2.6	2.1	1.9	2.0	2.8	2.4	2.1	2.2	2.7	2.4	3.6	3.3	3.3
Uncertain	0.2	0.4	0.2	0.3	0.5	0.3	0.3	1.5	1.0	1.4	0.4	0.4	0.7
Home													
Yes	2.8	2.3	2.4	2.4	2.7	3.1	2.8	3.4	3.3	3.0	3.8	3.6	3.4
New	0.3	0.4	0.6	0.4	0.6	0.6	0.8	1.0	1.1	0.8	1.3	1.0	1.0
Lived in	1.8	1.2	1.3	1.5	1.4	1.8	1.3	1.7	1.3	1.5	1.7	1.9	1.6
Uncertain	0.7	0.7	0.5	0.5	0.7	0.7	0.7	0.7	0.9	0.7	0.8	0.7	0.8
Major appliances													
Total plans	21.2	22.8	22.1	22.3	23.7	23.4	25.5	27.7	29.2	23.8	30.6	29.2	25.1
Refrigerator	3.0	3.3	3.0	3.2	3.3	3.9	3.8	3.3	4.7	3.4	4.1	3.4	3.3
Washing machine	2.8	2.7	2.9	2.4	2.7	2.9	3.2	4.3	3.5	2.7	4.0	3.3	3.3
Black and white TV	0.9	0.9	0.7	1.1	0.9	0.5	1.0	0.7	0.7	0.9	1.1	1.0	0.8
Color TV	5.6	6.1	5.4	5.8	6.5	6.1	7.4	8.1	7.6	6.1	8.2	8.0	7.4
Vacuum cleaner	3.6	4.0	4.3	4.1	4.3	4.2	3.9	4.6	5.0	4.1	5.2	5.6	4.1
Range	2.0	2.4	2.2	2.4	2.2	2.4	2.2	2.6	2.8	2.3	2.6	2.6	2.0
Clothes dryer	2.2	2.3	2.4	2.5	2.5	2.3	2.8	2.8	3.4	2.8	3.1	3.1	2.5
Air conditioner	1.1	1.1	1.2	0.8	1.3	1.1	1.2	1.3	1.5	1.5	2.3	2.2	1.7
Carpet	6.5	6.0	5.1	7.6	7.2	6.7	6.9	7.3	6.7	6.9	8.2	7.1	8.1
Vacation Intended Within Six Months: Percent													
Vacation Intended		44.7		46.3		43.4		48.1		47.2		49.8	
Destination													
Home state		8.5		11.1		8.4		9.2		9.9		10.5	
Other states		31.8		31.6		30.9		34.2		32.8		33.5	
Foreign country		5.1		5.1		5.7		6.6		6.2		7.0	
Means of Travel													
Automobile		28.9		30.5		28.0		32.5		31.5		31.3	
Airplane		15.0		15.2		15.2		17.1		15.5		17.1	
Other		3.3		3.6		3.2		4.3		3.6		4.1	

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.

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